



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 April 9, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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Board of Supervisors**

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Deputy Director, Strategic Planning

April 09, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF INTER-GOVERNMENTAL TRANSFER FOR FISCAL YEAR
2012-13 FOR DISTRIBUTION TO IMPACTED HOSPITALS IN SOUTH LOS
ANGELES
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

SUBJECT

Request approval of an Inter-governmental Transfer for Fiscal Year 2012-13 for distribution to Impacted Hospitals in South Los Angeles.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services, or his designee, to transfer a \$5.0 million Inter-governmental Transfer (IGT) to the Department of Health Care Services (DHCS) for Fiscal Year (FY) 2012-13 for use as the non-federal share of increased Medi-Cal payments to designated private hospitals (Attachment A) serving the South Los Angeles area formerly served by Martin Luther King, Jr. (MLK) Hospital.
2. Delegate authority to the Director of Health Services, or his designee, to transfer the IGT up to \$5.0 million annually to the State in future fiscal years until the MLK Hospital opens.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director or his designee to transfer a \$5.0 million IGT to the DHCS for FY 2012-13. The IGT will fund the non-federal share of supplemental Medi-Cal payments to designated private hospitals that serve the South Los Angeles area population formerly served by MLK Hospital. The IGT will be transferred to the DHCS for FY 2012-13 and will draw down an additional \$5.0 million in Federal matching funds, for a total of \$10.0 million. These funds will be used to fund supplemental Medi-Cal payments to the designated hospitals.

Approval of the second recommendation will allow the Director to transfer in subsequent fiscal years the voluntary IGT funds, up to \$5.0 million annually, to the state for Federal match and enhance the payments to designated private hospitals which provide emergency care to the County-responsible patients in South Los Angeles area until MLK Hospital opens.

Implementation of Strategic Plan Goals

The recommended action supports Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The \$5.0 million IGT will draw down an additional \$5.0 million in Federal matching funds for a total of \$10.0 million to be used for this purpose. The County has previously indicated its intent to continue such support until the MLK Hospital opens. SB 474 included a provision regarding this IGT for FYs 2007-08, 2008-09, and 2009-10.

Funding is included in the Department of Health Services' FY 2012-13 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Upon the closure of MLK Hospital in August 2007, the County recognized that surrounding privately operated hospital emergency rooms would need financial support for the treatment of County-responsible patients transported via 911 ambulance from the catchment area of MLK Hospital to those nearby hospitals. Accordingly, the County committed the financial support for certain designated hospitals impacted by the closure of MLK Hospital to assure adequate emergency coverage for County-responsible patients, who are residing in or transported from, the former MLK Hospital catchment area in South Los Angeles.

In October 2007, SB 474 was enacted and established the South Los Angeles Medical Services Preservation Fund (South LA Fund) to address the regional impact of the closure of MLK Hospital, and to help stabilize health services for the low-income population living in the South LA area. Included in SB 474 was the County commitment to provide a \$5.0 million IGT annually to fund the non-federal share of supplemental Medi-Cal payments for certain private hospitals impacted by the closure.

After the expiration of SB 474, the Board approved two annual transfers of a \$5.0 million IGT to the DHCS, for FY 2010-11 as an A-4 Agenda item on July 5, 2011 and for FY 2011-12 via the California Medical Assistance Commission (CMAC) on June 6, 2012. CMAC was dissolved on June 30, 2012.

and the IGT will be sent directly to the DHCS.

Each of the impacted hospitals to receive funding from the IGT and Federal match also maintain a contract with the County under the County's Impacted Hospital Program under which the hospitals receive reimbursement from the County for indigent patients brought in by 9-1-1 ambulance who would have otherwise been transported to the emergency room at MLK Hospital. For Program Year 2011-12, the County provided approximately \$8.2 million in reimbursement to the impacted hospitals. With the Impacted Hospital Program agreements set to expire on June 30, 2013, the Department of Health Services intends to seek approval from your Board at a later date to extend these agreements.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the IGT ensures that vital services will continued to be provided by those hospitals impacted by the closure of MLK Hospital.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:rb

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

ATTACHMENT A**IMPACTED HOSPITAL PROGRAM LISTING**

| II | HOSPITAL | ADDRESS |
|-----------|------------------------------------|--|
| 1 | California Hospital Medical Center | 1401 S. Grand Ave. Los Angeles, CA 90015 |
| 2 | Centinela Hospital Medical Center | 555 East Hardy Street Inglewood, CA 90301 |
| 3 | Downey Regional Medical Center | 11500 Brookshire Avenue Downey, CA 90241 |
| 4 | Lakewood Regional Medical Center | 3700 East South Street Lakewood, CA 90712 |
| 5 | Long Beach Memorial Medical Center | 2801 Atlantic Ave. Long Beach, CA 90806-1737 |
| 6 | Memorial Hospital of Gardena | 1145 West Redondo Beach Blvd. Gardena, CA 90247 |
| 7 | St. Francis Medical Center | 3630 E. Imperial Hwy. Lynwood, CA 90262-2678 |
| 8 | White Memorial Medical Center | 1720 Cesar Chavez Avenue Los Angeles, CA 90033 |